

AR53



our widening horizon  
in health care



**AMSCO ANNUAL REPORT 1973**

American Sterilizer Company



#### About the Cover . . .

The typical family in the U.S. has much to be thankful for — even happy about — but, unfortunately, perfect health is not among its many blessings.

During 1974, for example, the average American will suffer two episodes of illness severe enough to require medical attention or force restricted activity for one or more days.

In addition, some 33 million people — one person in every second household — will be admitted to a hospital as a

bed patient.

One of every two persons admitted to a hospital will undergo a surgical procedure.

More than 182 million Americans will receive hospital care as outpatients.

Examinations by physicians during 1974 will approach 1 billion, which represents approximately 15 doctor visits per family. Many of these visits will be by the almost 100 million Americans — roughly one-half of the population — who suffer from one or more long-term chronic conditions such as heart disease.

#### About the Company

AMSCO, now in its 80th year of service to the health care industry, has grown steadily to become a leader in providing a wide range of technical equipment, systems, instruments, supplies and services principally to hospitals and other medical institutions which deliver health care to families such as the one on our cover.

During the latter part of 1973, we took additional steps to enlarge our participation in the growing health care field. We entered the optical and cardiac rehabilitation fields, moving AMSCO into areas more closely involved in direct service to individuals.

Our basic business during 1973 was in five areas:

**Processing, Patient Care, and Surgical Equipment**, which include sterilizers and washing equipment, surgical equipment, nursing service products, and patient care products.

**Supplies and Instrumentation**, consisting of distribution of disposable and reusable supplies, electronic patient monitoring equipment, diagnostic instrumentation, surgical power tools and contact lenses.

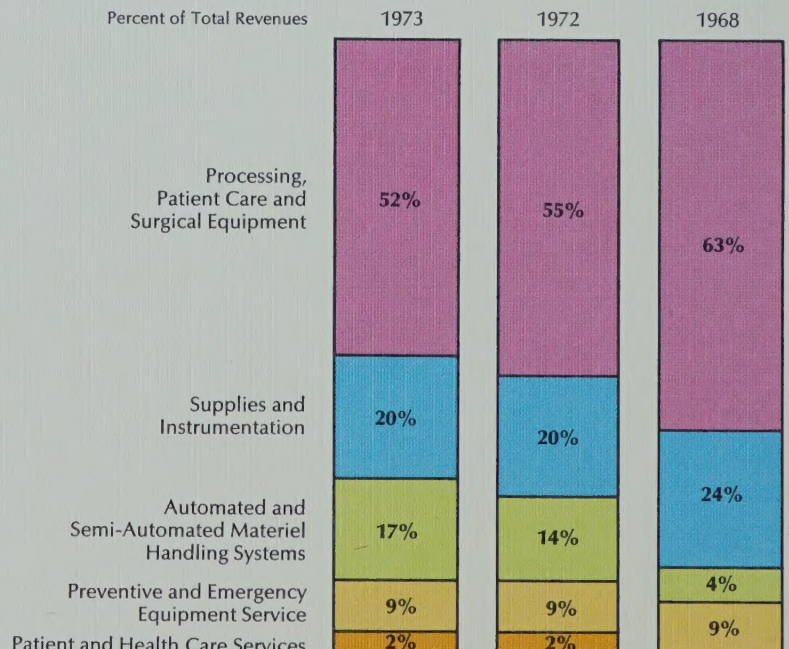
**Automated and Semi-automated Materiel Handling Systems**, including highly-sophisticated, well-integrated systems for processing

and distributing material and supplies throughout hospitals and other health care complexes.

#### Preventive Maintenance and Emergency Equipment Service.

A team of 270 service specialists and representatives maintain AMSCO equipment throughout the United States. At year's end, the service group had more than 5,400 preventive maintenance agreements, or contracts, with hospitals and other similar institutions.

**Patient and Health Care Services**, consisting of cardiac and pulmonary rehabilitation centers, a cardiac rehabilitation hospital, and related services.





## Table of Contents

	Page
Financial and Operating Highlights .....	1
Letter to Shareholders .....	2
AMSCO's Widening Horizon in Health Care .....	4
Operating Review .....	7
Financial Statements .....	10
Notes to Financial Statements .....	12
Ten-Year Financial Summary .....	14
Directors and Officers .....	16

## Financial Highlights

	1973*	1972*	Percent Increase
Net Sales .....	\$105,804,382	\$89,792,276	17.8
Net Income Before Taxes .....	\$ 13,320,394	\$11,483,765	16.0
Provision for Income Taxes .....	\$ 6,618,000	\$ 5,690,000	16.3
Net Income .....	\$ 6,702,394	\$ 5,793,765	15.7
Earnings Per Share .....	\$ .79	\$ .68	16.2
Dividends Per Share .....	\$ .27	\$ .26	3.8
Book Value Per Share .....	\$7.00	\$6.45	8.5
Working Capital .....	\$ 47,020,932	\$43,563,985	7.9
Expenditures for Plant & Equipment .....	\$ 3,138,262	\$ 2,234,356	40.5
Depreciation and Amortization .....	\$ 1,159,897	\$ 1,030,306	12.6
Net Property, Plant & Equipment .....	\$ 13,610,871	\$11,600,134	17.3
Backlog .....	\$ 63,000,000	\$53,500,000	17.8
Number of Shares Outstanding .....	8,468,333	8,455,133	.2
Number of Shareholders .....	6,263	5,061	23.8

\*52-week period ended December 30, 1973 and December 31, 1972

## Operating Highlights

**April** Acquired Allied Scientific Company, Ltd., broadening our existing laboratory instrument business in Canada.

**May** Two-for-one stock split authorized.

**June** A new building containing office and warehouse space for our Service and International companies was completed.

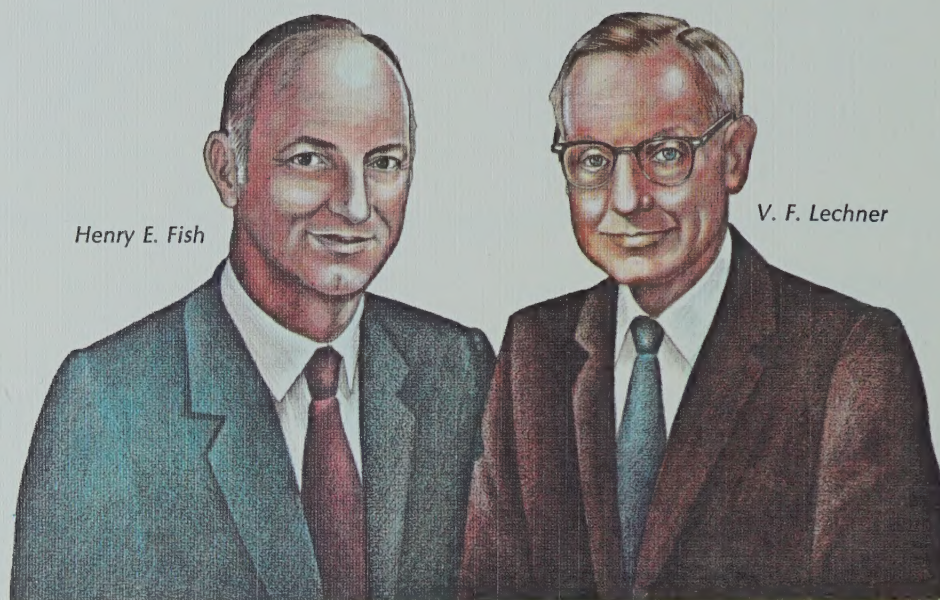
**August** Annual dividend rate increased to 28 cents per share from 26 cents per share.

**September** Acquired Lombart Lenses, Ltd., marking our entry into the optical field.

**November** Acquired Rehab Corp., which operates rehabilitation centers for cardiac patients.

**December** Shipments and bookings exceeded \$100 million and backlog exceeded \$60 million, both "firsts" in our 79-year history.





Henry E. Fish

V. F. Lechner

### To Our Shareholders:

We are pleased to report that for the eighth consecutive year, American Sterilizer Company registered record sales and for the fifth consecutive year, earnings increased substantially. In both instances, the results met both our medium- and long-term goals.

Sales in 1973, for the first time in AMSCO history, exceeded \$100 million and represented an increase of 18 percent over 1972 and 87 percent over restated 1968. Earnings were 16 percent above the year-earlier figure and exceeded 1968 restated earnings by 230 percent.

#### Diversification for Growth

In a continuing diversification program designed to enable the Company to out-pace the increasing growth of the overall health care field, AMSCO in 1973 acquired Lombart Lenses, Ltd., and Rehab Corp.

The acquisition of Lombart marks the Company's entry into the

growing and highly-profitable optical field, while Rehab places the Company in the unique position of operating a U. S. network of rehabilitation centers for cardiac patients.

The acquisition of Allied Scientific Company, Ltd., strengthens our laboratory equipment business in Canada.

In the long-term, these acquisitions will tend to reduce the Company's dependence upon the capital equipment market, in which, of course, it shall continue to play a dominant role.

#### Dividend Increased

On May 4, 1973, AMSCO common stock was split on a two-for-one basis following shareholder approval to increase the authorized shares from 7.5 million to 15 million. The Board of Directors in August, 1973, voted to increase the quarterly dividend rate from 6.5 to 7 cents per common share for an indicated annual rate of 28 cents per share. Dividends paid to shareholders totaled 27 cents in 1973.



### Financial Position Remains Strong

With long-term debt at \$3,655,228, favorable bank credit lines and the added flexibility gained from the two-for-one stock split, we are in excellent financial position to implement our growth plan.

### Price Squeeze

The 1973 record sales and earnings were attained despite generally rising costs, most of which were not offset by increased prices for our products. Under Cost of Living Council rules, we made modest price increases on relatively few products, but 1973's financial success is attributed primarily to increased marketing effort and efficiencies throughout the Company, especially in plant modernization and the addition of new equipment.

A price increase averaging about 6 percent went into effect February 15, 1974.

### Energy Crisis

Along with every other American manufacturing company, AMSCO is faced with potential problems resulting from the energy crisis. However, we took steps more than a year ago to deal with the possible emergency. We also expect to have fuel supplies sufficient to operate our plants. With hospitals a high priority and maintenance service vital to their continued operation, we have requested additional gasoline allocations for our field specialists, salesmen and servicemen should rationing become required. In 1973, our service technicians traveled over 7 million miles in AMSCO-leased automobiles.

### Outlook

As AMSCO enters its 80th year in the health care field, it does so optimistically — despite price

restrictions, the energy crunch, and other obstacles.

Backlog in orders booked is at an all-time high of \$63,000,000, which is 18 percent higher than a year ago, when the backlog also was at a record level.

With Health Maintenance Organization legislation passed and national health insurance legislation proposed, in addition to a growing number of independent health insurance programs and the continuing requirements for better health care facilities and services, we foresee continued long-term demand for our products and services. Taking all of these factors into consideration, we expect results for the current year to exceed our record 1973.

### Veteran Directors Retire

We wish to acknowledge the dedicated service of two veteran members of the AMSCO Board of Directors, John J. Corson and John H. DeVitt, who are retiring from our Board. Mr. Corson was elected to the Board in 1968; Mr. DeVitt in 1963. Their counsel, based on their long-time successful business careers, has contributed greatly to AMSCO's growth and is appreciated immensely.

### Employee Relations

In the area of employee relations, we are particularly proud of AMSCO's efforts regarding equal employment opportunities for minorities.

AMSCO has been a leader in our industry both in employing and in training representatives of minority groups. In just three years, the Company's level of minority employment has achieved the basic objectives of its Affirmative Action Program.

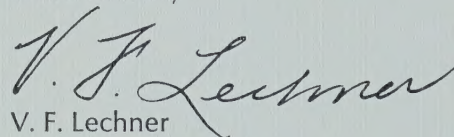
The year 1974 will be significant in the area of labor relations, with several major union contracts

expiring between June and September. However, in all instances, we foresee no serious problems; rather, we anticipate successful and harmonious negotiations as we have in the past.

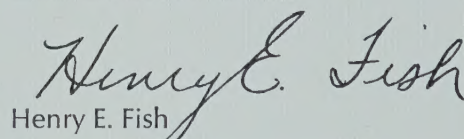
Over the years, AMSCO generally has enjoyed excellent labor relations and never has suffered any lengthy work stoppages.

We are especially appreciative of the contribution of AMSCO employees. In 1973, their response to the challenge of controlling costs and increasing efficiencies was an important factor in the records achieved.

On behalf of the AMSCO officers and directors,



V. F. Lechner  
Chairman and  
Chief Executive Officer



Henry E. Fish  
President

March 22, 1974

V. F. Lechner informed AMSCO directors at their regular meeting February 20, 1974, of his intention to resign as chairman of the board and chief executive officer effective May 1, 1974.

The directors subsequently elected Henry E. Fish, president, to succeed Mr. Lechner as chief executive officer effective May 1. The position of chairman of the board will remain vacant.

Mr. Lechner announced that he will remain a director and, as a full-time employee, will make himself available for consultation with the new chief executive officer.



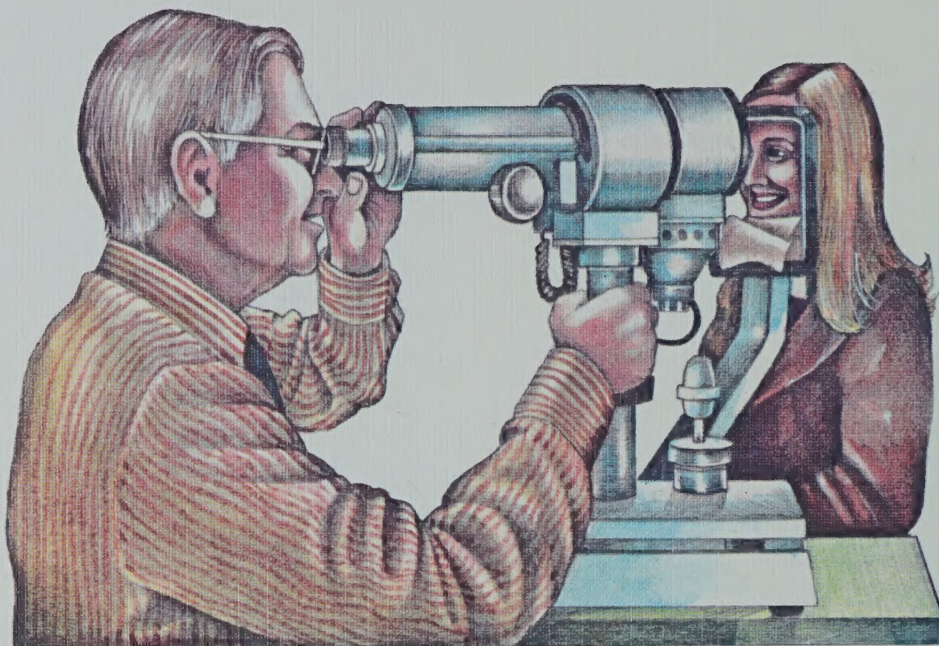
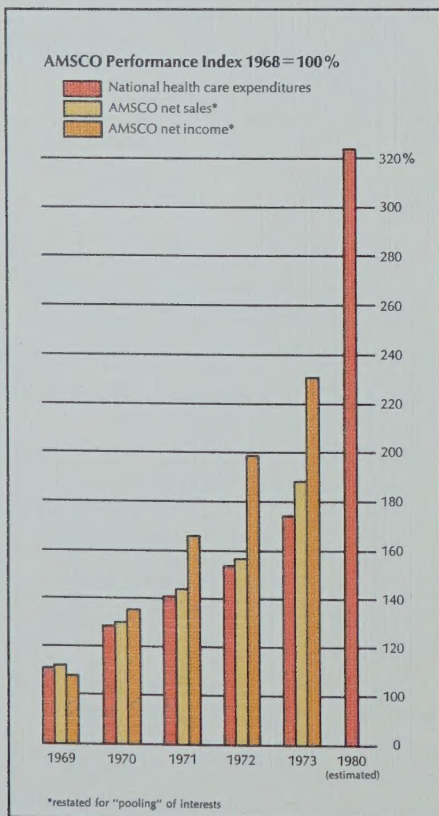
## AMSCO'S Widening Horizon in Health Care

National health care expenditures have grown steadily over the years. AMSCO's growth in sales and earnings have paralleled and, in recent years, exceeded this growth. (See chart below.)

Our growth has resulted from increased demand for our basic products, the sale of new products stemming from our research and development programs, and from the acquisition of companies in the health care field.

## AMSCO Broadens Its Base

We took two important strides in the health care industry late in 1973 with the acquisition of Rehab Corp. and Lombart Lenses, Ltd.



*Of all Americans six years of age or over, 25 million never have had their eyes examined; 57 percent of the population over the age of five now wear glasses, and, of those 20 or older, 15 million not now using eyewear are in need of corrective lenses.*

## The Optical Market

AMSCO entered the highly-fragmented optical field with its acquisition of Lombart, which in terms of unit volume sales is one of the largest manufacturers of hard contact lenses.

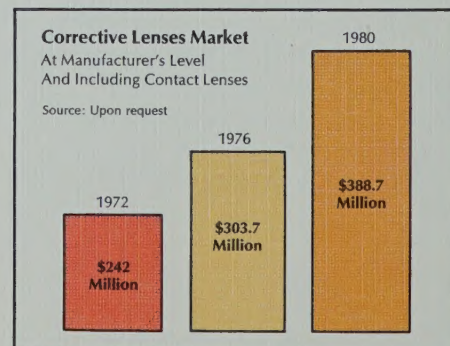
Market studies by an independent research organization show that more than one-half of the U. S. population — some 100 million people — now use some form of corrective eyewear, that 57 percent of the population five years of age or older requires lenses, and that two-thirds of the population will be using corrective lenses by 1980.

The market for corrective lenses continues to grow (see chart) and as it grows, so does the replacement market, thereby promising substantial opportunities for suppliers.

While only five percent of existing consumers have been converted to the continuous use of contact lenses, the advent of improved lens quality, efficiencies in production economics, and the emergence of sophisticated marketing efforts are expected to result in a marked increase in contact lens sales.

Lombart brings capability to all three of the above developments. Its centrally-located lens production facility, which is being expanded, can fill most orders — received from throughout the country via leased WATS telephone lines — on a same-day basis. This is possible because the company has hundreds of thousands of lenses in stock, providing customers a choice of almost 300 different lenses in 20 different colors.

Assuming a growing market share in a developing market now consisting of 700 thousand new fits per year and more than 1 million replacement lenses per year, Lombart's future is extremely bright.





## Cardiac Rehabilitation

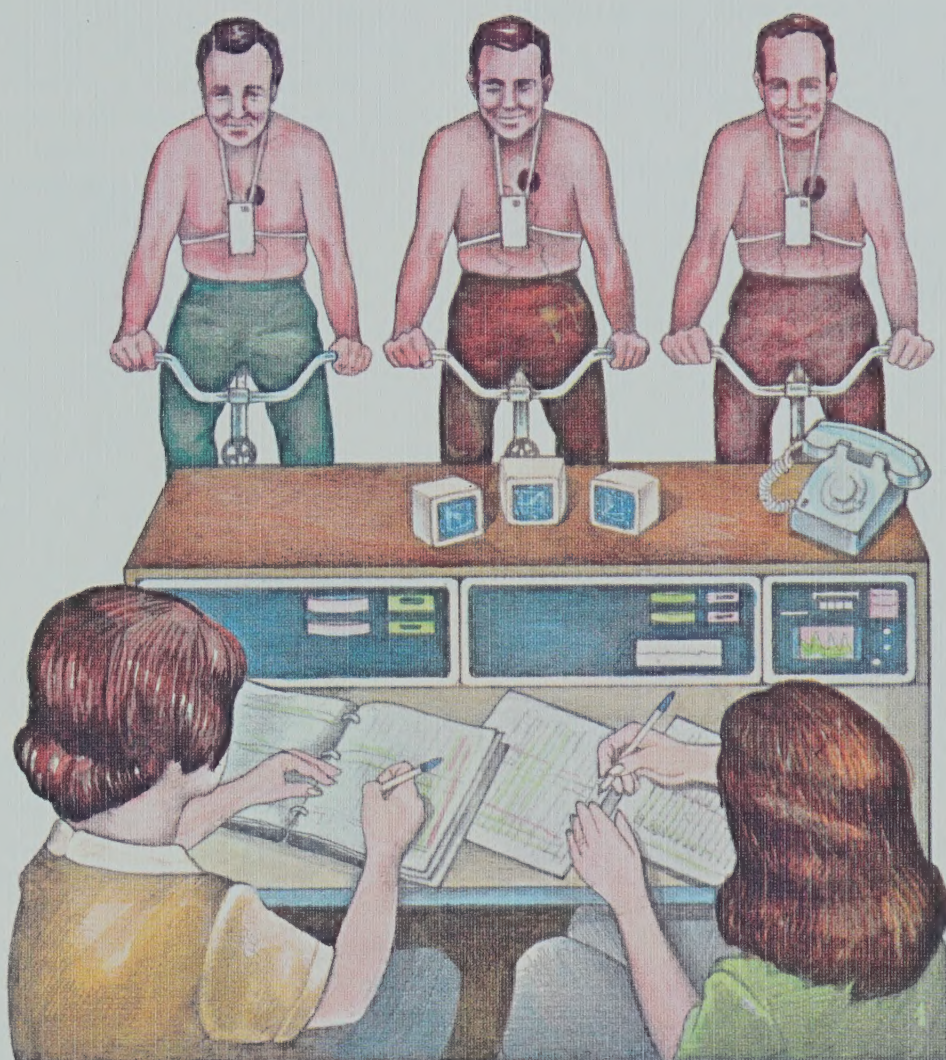
Rehab, a unique organization, provides physician prescribed exercise therapy to rehabilitate heart attack victims in its more than 25 cardiac and pulmonary rehabilitation centers located in California, New York, Ohio, Pennsylvania, Maryland and Florida. In all instances, patients are accepted for the program of exercise therapy, stress testing, and other services *only upon the advice and consent of their personal physicians.*

Rehab also operates a 98-bed rehabilitation hospital in Pennsylvania.

In addition, it conducts a Cardio-Profile Program designed to detect coronary heart disease before it advances into an acute stage. Persons participating in the program do so as a part of annual physical checkups encouraged or demanded by their employers. Test results remain confidential and are forwarded only to the employee's personal or family doctor.

Almost 1.5 million Americans, mostly men between the ages of 40 and 55, are stricken with heart attacks every year. Half of them die before reaching a hospital; most of the other half survive. The American Heart Association estimates that approximately 4 million people have a history of either heart attack or angina pectoris.

Rehab, through its detection program, can help in lowering the incidence of heart attacks; through its rehabilitation program, it can help get cardiac patients back on the job and, in many cases, get them back to a normal or near-normal life style.



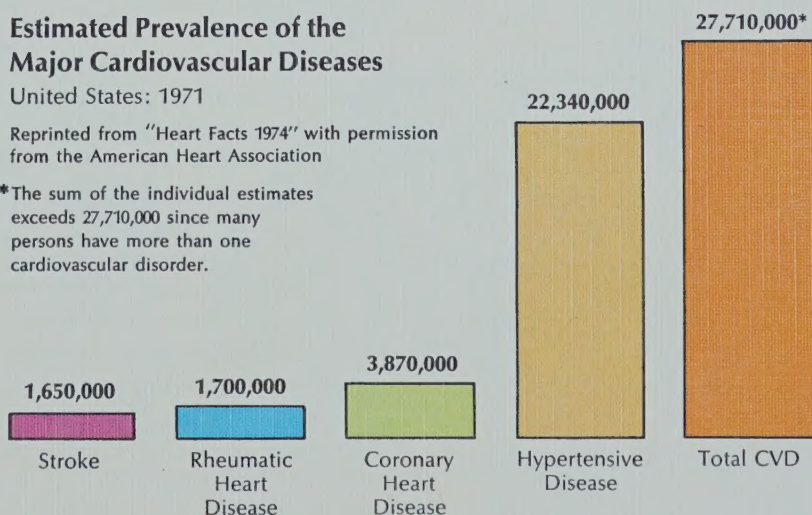
Cardiac patients follow physician-prescribed exercises at the Cardiac-pulmonary rehabilitation (CPR) centers under continuous monitoring by specially-trained nurses and technicians.

## Estimated Prevalence of the Major Cardiovascular Diseases

United States: 1971

Reprinted from "Heart Facts 1974" with permission from the American Heart Association

\*The sum of the individual estimates exceeds 27,710,000 since many persons have more than one cardiovascular disorder.





## Health Care Soars

The health care industry, now our nation's third largest, promises to become No. 1 as early as 1980 both in terms of manpower — some 4 million persons are employed today — and in expenditures, which are projected to reach between \$156 billion and \$189 billion by the end of the current decade. Should this projection prove true, as we have every reason to believe it will, our society will be spending between 8 percent and 9 percent of our gross national product for health, up from roughly 7.7 percent in 1973.

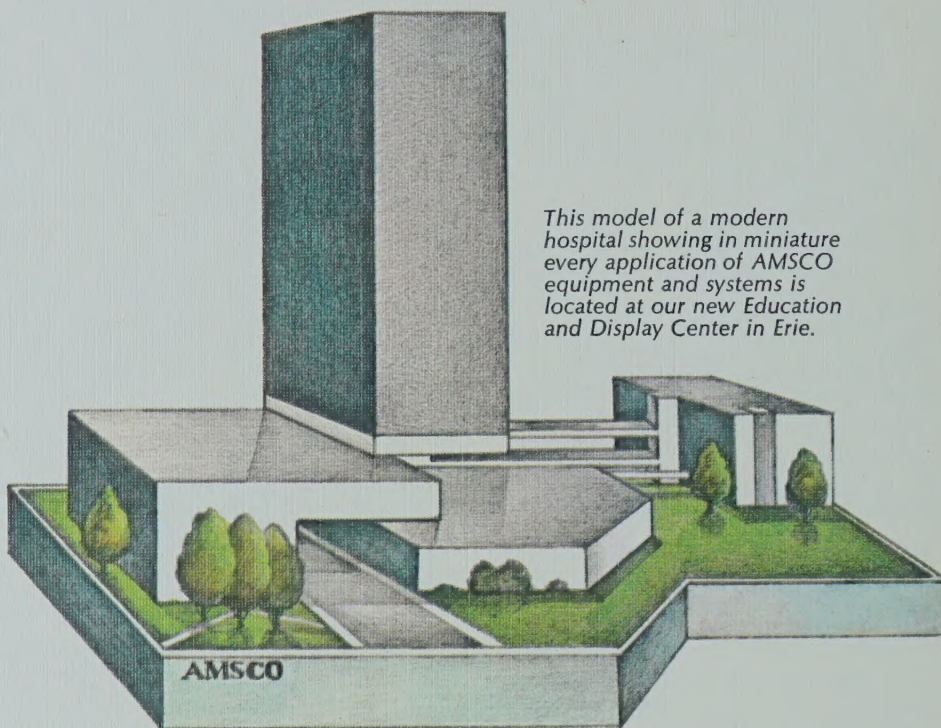
In recent years, health expenditures have increased at an average annual rate of 11 percent, which is almost double the growth rate for the economy as a whole.

### Construction vs. Modernization

Various studies show that approximately 30 percent of U. S. hospitals do not measure up to established Federal standards in regard to modern health care facilities. As a result, those hospitals represent a sizable market for our products, such as surgical tables, surgical lights, and other operating room equipment; our various systems, sterilizers, and a broad range of other medical items and services.

Americans, generally, are showing an ever-increasing interest in health care. Their demand for better health care has not gone unnoticed and one result has been the construction of new hospitals and the modernization of existing facilities.

We are prepared to supply equipment and service needs in either instance. During 1973, for example, our sales were divided almost equally between new



construction and replacement of sub-standard equipment.

### New Health Care Plans

Government on nearly all levels has taken note of the new interest in health care, as have various independent firms providing health insurance programs.

President Nixon responded late last year by releasing \$1.1 billion in previously-appropriated Health, Education & Welfare funds he earlier had ordered impounded and Health Maintenance Organization legislation was passed late in 1973.

And in 1974, in his State of the Union message, the President outlined plans for various national health insurance programs that would enable millions of Americans to take advantage of existing health care facilities . . . and also create a demand for additional, expanded, and modernized hospitals and other health care facilities.

### Health Care Outside the U.S.

As their standard of living rises, people in various parts of the world are coming to expect improved health care facilities and services.

International sales, including Canada, were up 14 percent from the 1972 high. They accounted for 23 percent of our 1973 total.

As is the case in the U.S., high hospital labor costs in Europe have resulted in increasing interest in our automated hospital systems.

Mexican sales and earnings improved following sale of our majority interest to a group headed by nationals. We continue to retain a 40 percent interest in the Mexican-affiliated company.

With all this in mind — our planned internal and external growth and diversification plus the continuing growth of the health care industry at home and abroad — we look forward to 1974 and the years ahead with great optimism.



## Operating Review

### PROCESSING, PATIENT CARE AND SURGICAL EQUIPMENT

This three-part AMSCO unit, which contributed about 52 percent of our total 1973 revenues, during the year recorded gains in all phases of its operations. Continued growth is anticipated during 1974, to meet the demands of new hospital construction and the modernization of existing health care facilities.

Because the Patient Service Wall systems are a godsend to the really critically ill — they contain oxygen outlets, electrocardiographs, blood pressure equipment, and other life support and monitoring devices — their use in intensive care and cardiac care units now is considered as standard. In addition, many hospitals are using the walls in regular patient rooms and this trend is on the rise. An increasingly important market for patient walls is in modernization programs to upgrade out-dated facilities.

Sales of our Patient Service Walls, many of them custom-made, in 1973 reached a record high by attaining a goal set two years earlier. That goal was for AMSCO to capture one-third of the total market. A new sales target has been

established whereby the existing momentum will provide us with greater participation in the market.

### New Division Formed

The manufacture and sale of a wide variety of surgical equipment has become of such importance to us that early in 1974 we formed a new Surgical Equipment Division with Mr. Phillip Zimmerman as general manager. Mr. Zimmerman, formerly director of market development, has been with AMSCO for 19 years.

A national surgical equipment sales force experienced in the surgical field provides assistance to hospital administrators, architects, and consultants in the planning and design of surgical suites, installation of equipment, training of personnel, and proper maintenance.

### Industrial Company Sets Records

AMSCO Industrial Company reached record sales and profits for the third consecutive year. Growth was achieved in all market areas including educational research, industrial research, and pharmaceutical and sterile disposable device manufacturing. During the year a number of new customized

and modularized products were developed and delivered to support the unique requirements of these distinctive markets.

New product introductions plus additional expenditures and grants in the cancer research area will contribute to the expanding markets for the AMSCO Industrial Company.

### Champion and Bus Boy Gain

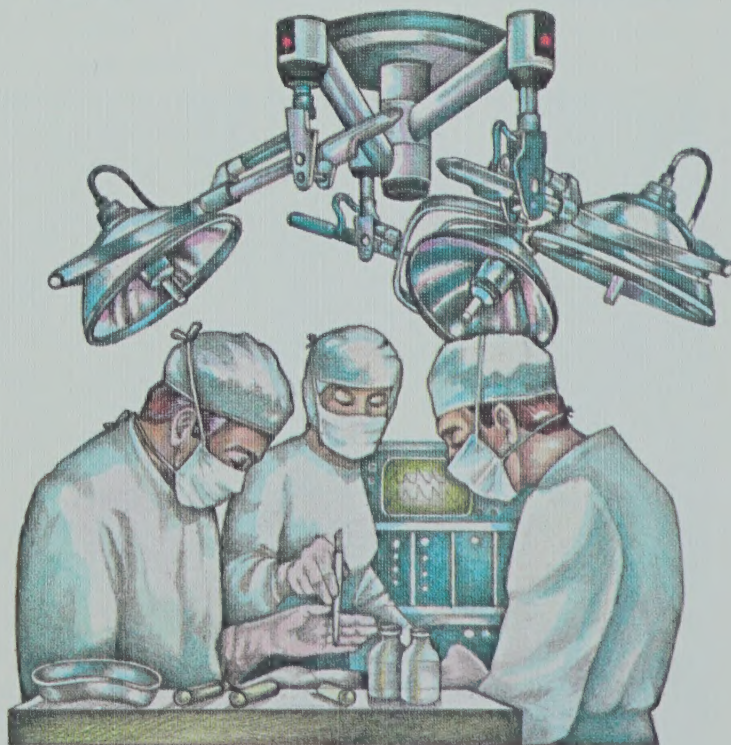
Also contributing to our success in 1973 was the Champion Industries unit and the Bus Boy division.

Sales of Champion's commercial dishwashers, handled by dealers and sales representatives and accounting for 75 percent of the unit's overall business, reached a new high during the year. Shipments of specialized washing machines, and cart, glassware, and laboratory instrument washers used by AMSCO for systems and other hospital applications also showed a sales gain. Backlog in both areas was at an all-time high at year's end.

Bus Boy, which produces commercial and domestic disposers, shared in Champion's general improvement in 1973. Both units foresee continued gains during 1974, in sales to the fast-food industry and also the health care field.



As the modernization of U.S. hospitals continues, so does the total environment in the patient rooms. Among items being used are the prefabricated patient service walls, overhead lights, wardrobes and cabinetry.



Surgical lighting, tables, pneumatically-powered tools, stainless steel scrub sinks and storage cabinets are among the many items manufactured by AMSCO for use in hospital operating rooms.



## AUTOMATED AND SEMI-AUTOMATED MATERIAL HANDLING SYSTEMS

Already contributing 17 percent of the total 1973 AMSCO revenues, the systems business continued to grow dramatically with bookings up 20 percent above the 1972 record. Systems backlog at year end stood at \$29.2 million.

The bookings performance was built on a continuing strong base of automated and semi-automated processing systems and AMSCAR distribution systems. This was supplemented by orders for new AMTS overhead rail distribution systems, for complete dietary systems and for system's applications of pneumatic tubes.

In this last segment, of particular significance was the successful entry into the pneumatic linen and trash tube market, where Automatic Tube Company had not previously participated. This breakthrough was made possible by intense engineering effort at ATC and marketing

effort by AMSCO.

ATC not only expanded its product line, but AMSCO's marketing has transformed it from a West Coast to a national and even international company. As a result, ATC shipments were up substantially and bookings more than doubled in 1973.

The only disappointment in the Systems thrust was in the Guilbert inject-eject automated lift business where economic factors shrunk the available market temporarily. This market is expected to recover by mid-1974 to its previous growth trend.

ATC and Guilbert are important examples of AMSCO's planned strategy of acquisition of products and to broaden in-house systems capability. The systems market is expected to grow as hospitals are encouraged to improve contamination control and reduce costs through the wide variety of systems solutions that AMSCO makes available.

## SUPPLIES AND INSTRUMENTATION

Supplies and instrumentation represented about 20 percent of our total sales in 1973.

In Canada, consolidation of operations under the Ingram & Bell subsidiary was completed. Our Canadian equipment company and Allied Scientific Company, Ltd., acquired in 1973 are now merged into one operation and the expected operational efficiencies are being realized.

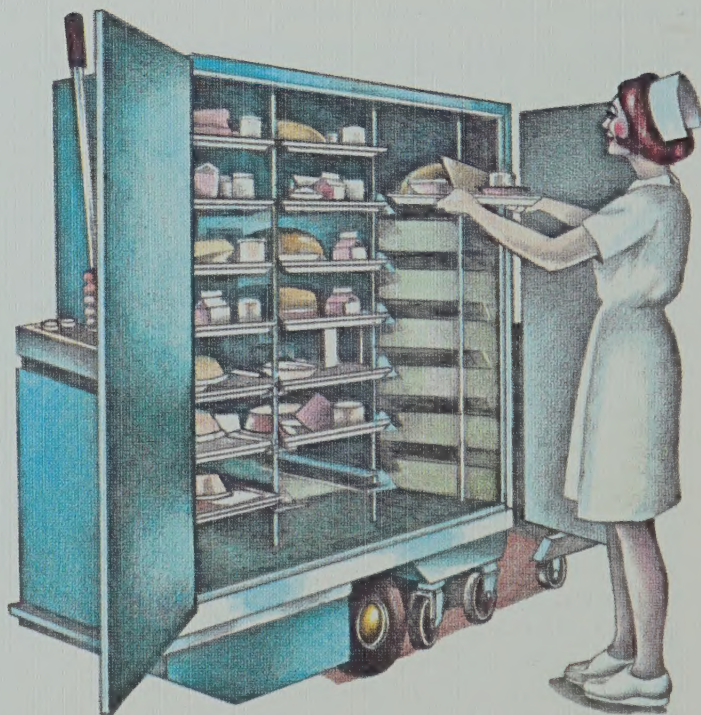
Allied Scientific, which distributes laboratory equipment, has added to our overall capabilities to serve the Canadian market by broadening and complementing our instrumentation and equipment line. AMSCO Canada, the equipment division of I&B, had a favorable year.

## Turner Sales Up

G. K. Turner Associates, the leading manufacturer of fluorometers and other analytical instru-

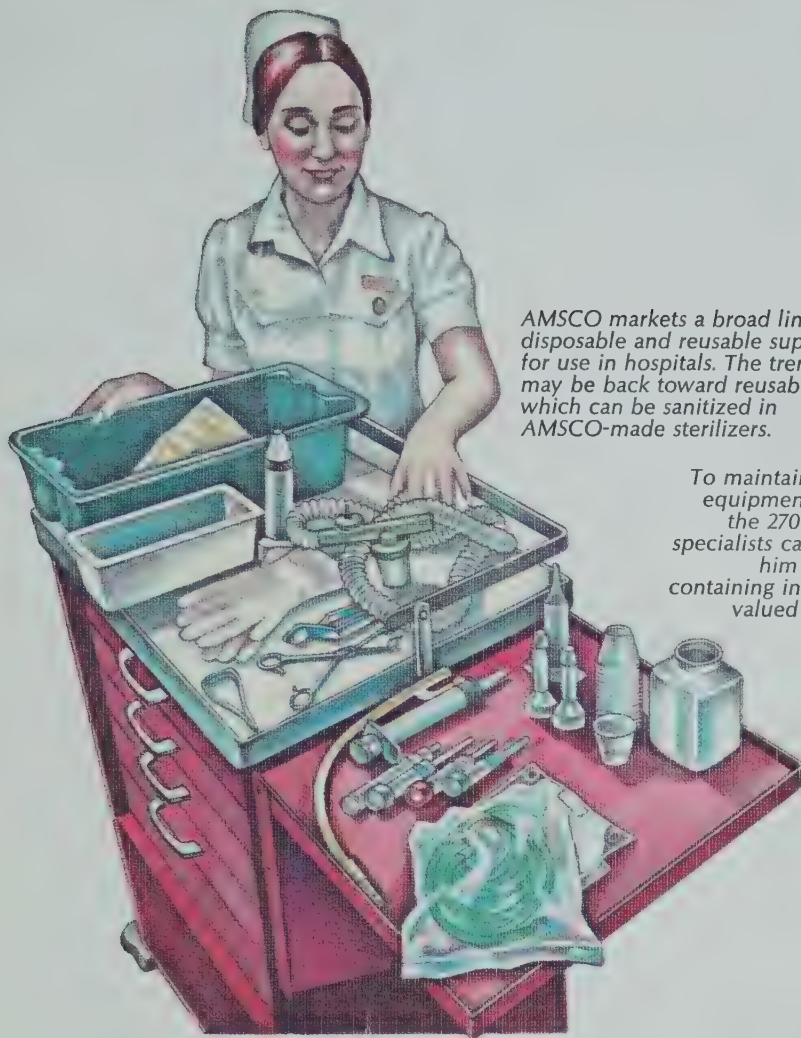


*To move blood samples, X-rays, intravenous admixtures etc. from one place to another quickly and safely, U. S. hospitals can use pneumatic tube delivery systems provided by AMSCO's ATC Division.*



*AMSCO refrigerated dietary systems automatically deliver "convenience-prepared" meals from hospital kitchen to patient floors where they are heated in microwave ovens and served.*





*AMSCO markets a broad line of disposable and reusable supplies for use in hospitals. The trend may be back toward reusables, which can be sanitized in AMSCO-made sterilizers.*

*To maintain AMSCO equipment, each of the 270 technical specialists carries with him a tool kit containing instruments valued at \$1,800.*



ments, joined other AMSCO operations by reporting a sizable gain in sales and bookings as the year ended. All objectives were realized and several new, sophisticated pieces of laboratory equipment were introduced. During 1974, further sales and earnings increases are expected and additional new equipment will join the existing product line.

#### **AMSCO Hall Outlook Excellent**

The AMSCO Hall surgical instruments unit performed well in 1973. It moved into new facilities and increased internal production of components used in its air-driven surgical tools, reducing its dependence on outside suppliers and improving quality control. The outlook is for continued growth as the demand increases for new and sophisticated instruments to perform the growing numbers of new surgical procedures constantly being developed.

#### **PREVENTIVE MAINTENANCE AND EMERGENCY EQUIPMENT SERVICE**

While maintenance and service operations in 1973, as in 1972, represented 9 percent of our total revenues, business increased 12 percent over the previous year.

This increase is credited, in great part, to the more than 5,400 hospitals and other health care institutions having PMA (preventive maintenance agreements, or contracts) with AMSCO.

The service unit in 1973 grew to 270 technical specialists throughout the U. S., a gain of 35 over 1972. (It has been estimated that except for the most remote hospitals in America, none are more than a one-day drive away from an AMSCO serviceman.) These specialists, in addition to servicing equipment, are in a position to provide our marketing and product development teams with important information pertaining to future product needs of the hospital community.

A separate facility to house the service company was completed in

Erie last June, primarily to provide more efficient stocking and handling of service parts. The building has 35,000 square feet of warehousing space and a 10,000-square-foot office area.

Some 17,000 items of varying sizes are processed through the new warehouse.

To streamline the delivery of its 17,000 line items, Service Company will soon be upgrading its computerized inventory control system, adding realtime order-entry, and integrating it with programmed material handling. The new system will not only serve to hold the line against rising costs, but result in faster delivery schedules to field service specialists, enabling them to complete necessary repairs or replacements promptly. Our service organization, in addition to performing vital equipment maintenance, is an important factor in enhancing our reputation as a leading supplier of equipment and systems, thus increasing future growth potential.



**CONSOLIDATED BALANCE SHEET** (Note 2)

December 30, 1973 and December 31, 1972

**ASSETS****Current Assets**

	December 30, 1973	December 31, 1972
Cash .....	\$ 329,283	\$ 2,327,358
Marketable securities (at cost which approximates market) .....	950,000	5,540,000
Receivables, less allowance for doubtful accounts of \$579,032 and \$465,750, respectively .....	29,876,109	22,153,871
Inventories, at the lower of cost (first-in, first-out) or market		
Finished goods .....	10,392,183	9,827,156
Work-in-process .....	13,685,215	10,766,687
Raw materials .....	3,971,154	3,077,452
Total inventories .....	\$28,048,552	\$23,671,295
Prepaid expenses .....	906,730	917,029
Total current assets .....	<u>\$60,110,674</u>	<u>\$54,609,553</u>

**Property, Plant and Equipment (at cost)**

Land .....	\$ 716,311	\$ 661,496
Buildings .....	9,720,067	8,442,011
Machinery and equipment .....	12,030,973	10,745,343
Total .....	<u>\$22,467,351</u>	<u>\$19,848,850</u>
Less accumulated depreciation .....	8,856,480	8,248,716
Property, plant and equipment (net) .....	<u>\$13,610,871</u>	<u>\$11,600,134</u>

**Other Assets**

Investment in and advances to affiliate and licensees	\$ 1,695,851	\$ 956,176
Cost in excess of underlying fair value of net assets acquired (Note 1) ..	956,844	657,216
Other .....	641,827	781,295
Total other assets .....	<u>\$ 3,294,522</u>	<u>\$ 2,394,687</u>
<b>TOTAL ASSETS</b> .....	<u><u>\$77,016,067</u></u>	<u><u>\$68,604,374</u></u>

**LIABILITIES AND SHAREHOLDERS' INVESTMENT****Current Liabilities**

Notes payable and current portion of long-term indebtedness (Note 3)	\$ 984,953	\$ 427,559
Accounts payable .....	7,400,532	6,106,392
Accrued liabilities .....	2,435,369	2,954,352
Accrued income taxes .....	2,268,888	1,557,265
Total current liabilities .....	<u>\$13,089,742</u>	<u>\$11,045,568</u>

**Long-Term Indebtedness (Note 3)**

	<u>\$ 3,655,228</u>	<u>\$ 2,137,011</u>
--	---------------------	---------------------

**Deferred Income Taxes**

	<u>\$ 980,900</u>	<u>\$ 888,000</u>
--	-------------------	-------------------

**Shareholders' Investment (Note 6)**

Common stock, par value \$.83 1/3 per share		
Authorized 15,000,000 shares; outstanding 8,468,333		
in 1973 and 8,455,133 in 1972 (Note 5) .....	\$ 7,057,611	\$ 7,045,945
Capital in excess of par value of common stock .....	18,346,726	18,218,088
Retained earnings (Note 3) .....	33,885,860	29,269,762
Total shareholders' investment .....	<u>\$59,290,197</u>	<u>\$54,533,795</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' INVESTMENT</b> .....	<u><u>\$77,016,067</u></u>	<u><u>\$68,604,374</u></u>

The accompanying notes are an integral part of this statement.



**CONSOLIDATED STATEMENT OF INCOME** (Note 2)

For the fiscal years ended December 30, 1973 and December 31, 1972

	1973	1972
Net Sales .....	\$105,804,382	\$89,792,276
Costs and Expenses		
Material, wages and other production costs .....	\$ 69,090,846	\$57,860,178
Marketing, administration and general, research and development expenses .....	23,723,075	20,719,475
Interest expense .....	269,156	183,762
Other (income) (net) .....	(599,089)	(454,904)
Total .....	\$ 92,483,988	\$78,308,511
Income Before Provision for Income Taxes .....	\$ 13,320,394	\$11,483,765
Provision for income taxes (including deferred taxes of \$701,000 in 1973 and of \$513,000 in 1972) .....	6,618,000	5,690,000
Net Income .....	\$ 6,702,394	\$ 5,793,765
Earnings per Common and Common Equivalent Share (Note 6) .....	\$ .79	\$ .68

**CONSOLIDATED STATEMENT OF  
SHAREHOLDERS' INVESTMENT** (Notes 2 and 6)

For the fiscal years ended December 30, 1973 and December 31, 1972

	Common Stock		Capital in Excess of Par Value of Common Stock	Retained Earnings
	Shares	Amount		
Balance, January 3, 1972, as previously reported	7,625,304	\$6,354,425	\$16,215,143	\$25,203,044
Amounts applicable to combining companies accounted for on a pooling of interests basis (Note 2) .....	580,329	483,616	409,284	238,034
Balance, January 3, 1972, as restated .....	8,205,633	\$6,838,041	\$16,624,427	\$25,441,078
Net income .....	—	—	—	5,793,765
Cash dividends paid (\$.26 per share) .....	—	—	—	(1,965,081)
Amounts applicable to capital transactions				
of pooled company .....	231,000	192,492	1,392,417	—
Shares issued under stock options .....	18,500	15,412	201,244	—
Balance, December 31, 1972 .....	8,455,133	\$7,045,945	\$18,218,088	\$29,269,762
Net income .....	—	—	—	6,702,394
Cash dividends paid (\$.27 per share) .....	—	—	—	(2,086,296)
Shares issued under stock options .....	13,200	11,666	175,033	—
Amounts applicable to capital transactions				
of pooled company .....	—	—	(46,395)	—
Balance, December 30, 1973 (Note 3) .....	8,468,333	\$7,057,611	\$18,346,726	\$33,885,860

The accompanying notes are an integral part of these statements.



## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Note 2)

For the fiscal years ended December 30, 1973 and December 31, 1972

### Source of Working Capital

	1973	1972
Net income .....	\$ 6,702,394	\$ 5,793,765
Depreciation and amortization .....	1,159,897	1,030,306
Deferred income taxes .....	701,000	513,000
Funds provided from operations .....	\$ 8,563,291	\$ 7,337,071
Proceeds from sale of stock by pooled company and exercise of stock options .....	186,699	1,801,565
Increase in long-term indebtedness .....	1,518,217	—
Total funds provided .....	\$10,268,207	\$ 9,138,636

### Application of Working Capital

Cash dividends paid .....	\$ 2,086,296	\$ 1,965,081
Expenditures for property, plant and equipment, net .....	3,138,262	2,234,356
Repurchase by pooled company of warrants .....	52,500	—
Decrease in long-term indebtedness .....	—	470,152
Cost in excess of fair value of net assets acquired .....	332,000	—
Investment in and advances to affiliate and licensees .....	739,675	41,255
Other .....	462,527	412,233
Total funds applied .....	\$ 6,811,260	\$ 5,123,077

<b>Increase in Working Capital</b> .....	<b>\$ 3,456,947</b>	<b>\$ 4,015,559</b>
--	---------------------	---------------------

## ANALYSIS OF CHANGES IN WORKING CAPITAL

### Current Assets Increase (Decrease)

Cash and marketable securities .....	\$ (6,588,075)	\$ 2,387,555
Receivables (net) .....	7,722,238	145,469
Inventories .....	4,377,257	1,697,893
Prepaid expenses .....	( 10,299)	403,946
Total increase in current assets .....	\$ 5,501,121	\$ 4,634,863

### Current Liabilities Increase (Decrease)

Notes payable and current portion of long-term indebtedness .....	\$ 557,394	\$ ( 3,331)
Accounts payable .....	1,294,140	886,114
Accrued income taxes .....	711,623	(1,113,220)
Accrued liabilities .....	( 518,983)	849,741
Total increase in current liabilities .....	\$ 2,044,174	\$ 619,304

<b>Increase in Working Capital</b> .....	<b>\$ 3,456,947</b>	<b>\$ 4,015,559</b>
--	---------------------	---------------------

The accompanying notes are an integral part of this statement.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) **Principles of Consolidation** — The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated. Normal translation gains, which arise in connection with the Company's Canadian subsidiary, are deferred to offset future currency fluctuations and were not significant in either year. The investment account reflects the invest-

ment in an affiliate on the equity basis, which is not in excess of underlying book value, related advances, and non-current advances to licensees.

Cost in excess of underlying fair value of net assets at dates of acquisition includes \$605,895 which is not being amortized; the remainder is being amortized over periods of 10 to 15 years.

(b) **Inventories** — Inventories are stated at the lower of cost (principally on a first-in, first-out basis) or market.

(c) **Property, Plant and Equipment** — The Company



provides for depreciation over the estimated useful lives of plant and equipment, principally on the straight-line method, while accelerated methods are used for tax purposes. The tax effect of the cumulative difference in these methods is reflected as a deferred liability for income taxes. Expenditures for ordinary maintenance and repairs are charged to income, and renewals and betterments are capitalized. Upon disposal of property items the asset and related accumulated depreciation accounts are relieved of the amounts recorded therein for such items and any resulting profit or loss is reflected currently in income.

(d) **Product Warranty** — Normal recurring warranty costs are charged to income as paid. However, during 1972 management became aware of certain required design corrections related to products in the field and recognized costs which reduced 1972 net income by approximately \$290,000.

(e) **Research and Development** — Research and development costs are charged to income as incurred.

(f) **Sales Commissions** — Prior to 1972, the Company paid and expensed certain commission costs on orders received for future shipment. In 1972, this policy was changed to defer such expense until date of shipment. The cumulative effect of this change was to increase 1972 net income by approximately \$350,000.

## 2. BUSINESS COMBINATIONS:

In September, 1973, the Company acquired all the outstanding stock of Lombart Lenses, Ltd., a manufacturer and distributor of contact lenses, for 271,209 shares of common stock. In November, 1973, the Company acquired all the outstanding stock of Rehab Corp., an owner and licensor of cardiac rehabilitation centers, in exchange for 540,120 shares of common stock. These transactions have been accounted for as poolings of interests and accordingly the financial statements for all periods shown have been restated to reflect the poolings.

Net sales and net income before and after the poolings of interests are summarized as follows (000's omitted):

Net sales:	1973	1972
Before poolings .....	\$101,200	\$86,520
Sales of pooled companies .....	4,604	3,272
Net sales as reported herein ....	<u>\$105,804</u>	<u>\$89,792</u>
Net income:		
Before poolings .....	\$ 6,653	\$ 5,515
Net income of pooled companies .....	49	279
Net income as reported herein ..	<u>\$ 6,702</u>	<u>\$ 5,794</u>

In April, 1973, the Company also acquired the net assets of Allied Scientific, Ltd. of Canada, a distributor of hospital products, for \$750,000. This acquisition has been accounted for as a purchase and is included in the consolidated financial statements since the date of acquisition. The cost in excess of underlying fair value of net assets acquired of \$332,000 is being amortized over ten years. The effect of this acquisition on the results of operations for current and preceding periods is not significant.

## 3. NOTES AND LOANS PAYABLE:

Notes and loans payable consist of the following:

Notes outstanding under loan commitment agreement .....	\$1,750,000
4 $\frac{7}{8}$ % notes, due August 1, 1977, with annual prepayments of \$300,000 .....	1,100,000
Mortgage payable, 8%, due 1992 with annual payments including interest of \$90,450, secured by real estate with net book value of \$1,215,000 .....	877,211
Mortgages and other term loans due through 1980 .....	912,970
	<u>\$4,640,181</u>
Less — Current portion .....	984,953
Long-Term Indebtedness .....	<u>\$3,655,228</u>

In March, 1973, the Company entered into an agreement with various lending institutions to make available a \$15,000,000 unsecured line of credit at an average aggregate interest rate not to exceed 7.5% per annum and a commitment fee of  $\frac{1}{2}$ % on the unused portion of the commitment. The loan is repayable in twenty equal quarterly installments beginning March, 1978.

The note and loan commitment agreements provide, among other things, for restrictions upon incurring additional indebtedness, the creation of encumbrances, the disposition of stock of any subsidiary, the sale of a substantial amount of its properties, the payment of dividends, and for the maintenance of consolidated working capital at not less than \$30,000,000. As of December 30, 1973, \$8,444,782 of retained earnings is available for payment of dividends.

## 4. PENSION PLANS:

The Company and certain of its subsidiaries have pension plans covering substantially all of their employees. The total pension expense was \$1,169,300 in 1972 and \$1,318,300 in 1973 which includes amortization of prior service cost over periods ranging from 10 to 30 years. The actuarially computed value of vested benefits of certain plans as of December 30, 1973, exceeded the total of the pension funds and balance sheet accruals by approximately \$1,720,000. The Company's policy is to fund pension cost accrued.

## 5. STOCK OPTIONS AND WARRANTS:

Under the 1973 Employees' Stock Option Plan, approved by the shareholders in 1973, 200,000 shares of common stock were reserved for issuance. Options may be granted at not less than 100% of the fair market value at date of grant (qualified) or may be granted at not less than 85% of the fair market value at date of grant (non-qualified). Qualified options extend for a term of five years while non-qualified options may not extend beyond ten years. Options may not be exercised for one year following the date of grant. Qualified and non-qualified options on a total of 106,000 shares were granted during 1973 and are outstanding at prices ranging from \$10.15 to \$11.94 at December 30, 1973. No options under this plan became exercisable nor were any cancelled during 1973.

At December 30, 1973, there were 92,800 shares of common stock reserved under the 1966 Quali-



fied Stock Option Plan. Options covering 49,800 shares are outstanding at year-end at prices ranging from \$10.50 to \$16.75. During the year options were granted for 22,600 shares, options on 13,200 shares were exercised, and options on 36,600 shares expired or were cancelled.

In connection with one of its acquisitions, the Company assumed warrants outstanding for the issuance of 33,600 shares of common stock at \$8.33 per share, as well as qualified and non-qualified options outstanding to issue 64,680 shares of the Company's common stock at prices ranging from \$4.76 to \$9.52 per share. All warrants expire in January, 1977 and non-qualified options for 10,080 shares expire in June, 1974.

#### 6. EARNINGS PER SHARE AND TWO-FOR-ONE STOCK SPLIT:

All shares and per share data have been adjusted to reflect a two-for-one stock split in May, 1973. Earnings per common and common equivalent share are based upon the weighted average number of common shares outstanding, 8,520,580 in 1973 and 8,515,085 in 1972, including the dilutive effect of common stock equivalents and after giving retro-active effect for shares issued in exchange for pooled companies and the two-for-one stock split in 1973.

#### 7. LEASE COMMITMENTS:

Rent expense under all leases was \$1,213,000 in 1972 and \$1,485,000 in 1973. Minimum annual rentals payable under non-cancellable leases in each of the next five years ending December 31, 1978 are \$1,048,000, \$800,000, \$630,000, \$151,000 and \$100,000 respectively, and for the years 1979 through 1994 do not exceed \$100,000 per year.

#### Report of Independent Public Accountants

To The Shareholders and The Board of Directors  
American Sterilizer Company:

We have examined the consolidated balance sheet of AMERICAN STERILIZER COMPANY (a Pennsylvania Corporation) and subsidiaries as of December 31, 1972, and December 30, 1973, and the related consolidated statements of income, shareholders' investment and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of American Sterilizer Company and subsidiaries as of December 31, 1972, and December 30, 1973, and the results of their operations and changes in financial position for the years then ended in conformity with generally accepted accounting principles consistently applied during the periods.

ARTHUR ANDERSEN & CO.

Pittsburgh, Pennsylvania,  
February 18, 1974.

## American Sterilizer Company and Subsidiaries

### TEN YEAR COMPARISON

#### Dollar Amounts in Thousands Per Share Amounts in Dollars

1973

#### Operating Data

Net Sales .....	\$105,804
Depreciation .....	1,128
Interest Expense .....	269
Income Before Taxes .....	13,320
Income Taxes .....	6,618
Income Before Extraordinary Items ....	6,702
Extraordinary Items Net of Taxes .....	—
Net Income .....	6,702
Number of Employees .....	3,329

#### Balance Sheet Data

Working Capital .....	47,021
Net Plant and Equipment .....	13,611
Long Term Debt .....	3,655
Shareholders' Investment .....	59,290
Return on Shareholders' Investment ...	11.3%

#### Common Stock Data

Net Income Per Share (1) .....	.79
Cash Dividends Per Share .....	.27
Book Value Per Share .....	7.00
Shares Outstanding (weighted average)	8,520,580
Shares Outstanding (end of year) .....	8,468,333
Number of Shareholders .....	6,263

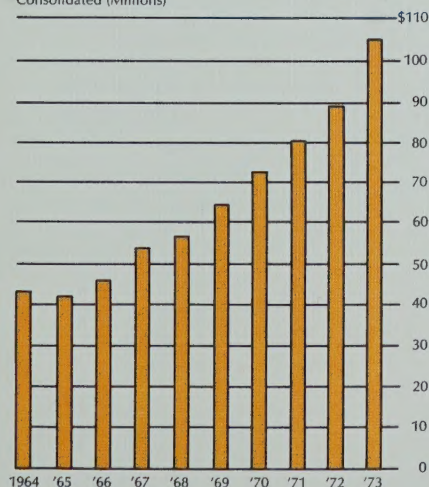
(1) Includes extraordinary items amounting to \$.03 in 1966 and \$.04 in 1964. Weighted average shares used.

All years have been restated for "pooling" of interests.

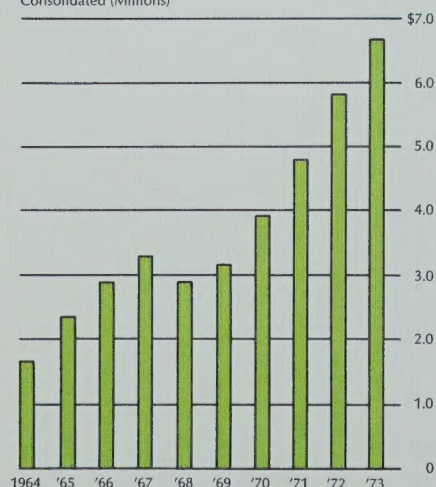


1972	1971	1970	1969	1968	1967	1966	1965	1964
\$89,793	\$80,552	\$72,785	\$63,644	\$56,539	\$53,508	\$46,593	\$42,020	\$43,135
1,028	888	814	700	621	827	778	724	786
184	401	891	592	291	290	298	341	405
11,484	9,806	8,183	6,559	6,095	6,516	5,404	4,569	3,098
5,690	4,989	4,204	3,407	3,187	3,222	2,648	2,257	1,701
5,794	4,817	3,979	3,152	2,908	3,284	2,747	2,311	1,397
—	—	—	—	—	—	142	—	262
5,794	4,817	3,979	3,152	2,908	3,284	2,899	2,311	1,659
2,966	2,559	2,605	2,538	2,473	2,458	2,364	2,132	2,073
43,640	39,549	32,761	28,936	25,302	24,365	22,722	20,467	20,501
11,600	10,393	8,975	8,744	8,230	7,714	7,413	6,910	6,934
2,137	2,607	7,715	6,856	3,499	4,109	4,431	4,364	5,429
54,534	48,904	34,778	31,648	30,129	28,502	26,185	24,100	22,361
10.6%	9.8%	11.4%	9.9%	9.7%	11.5%	11.1%	9.6%	7.4%
.68	.61	.55	.46	.42	.48	.43	.35	.25
.26	.25	.24	.24	.23	.20	.19	.16	.15
6.45	5.96	4.81	4.56	4.39	4.17	3.87	3.60	3.37
515,085	7,960,371	7,242,893	6,893,613	6,858,691	6,785,337	6,731,633	6,667,813	6,606,777
455,133	8,205,633	7,242,893	6,961,493	6,869,121	6,831,333	6,759,797	6,698,433	6,630,157
5,061	5,294	4,484	3,803	3,685	3,442	3,870	3,641	3,320

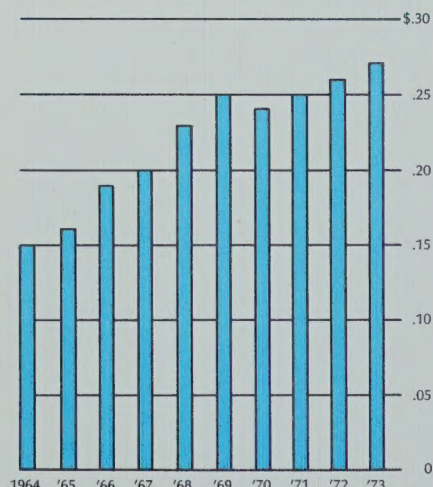
**Net Sales**  
Consolidated (Millions)



**Net Income**  
Consolidated (Millions)



**Cash Dividends Per Share**





## AMERICAN STERILIZER COMPANY

CORPORATE OFFICES:  
2222 West Grandview Boulevard  
Erie, Pennsylvania 16509  
Telephone: (814) 838-6541

STOCK LISTING:  
New York Stock Exchange, Symbol: ASZ

TRANSFER AGENT AND REGISTRAR:  
Morgan Guaranty Trust Company of New York  
30 West Broadway  
New York, New York 10007

The Annual Meeting of Shareholders will be held at the main plant of Company, 2424 West 23rd Street, in Erie, Pennsylvania, on May 1, 1974, at 9:30 a.m. Official notice and other information regarding this meeting will be mailed to shareholders.

## BOARD OF DIRECTORS

RAY E. BROWN  
**Executive Vice President**  
Northwestern University-  
McGaw Medical Center  
Chicago, Illinois

JOHN M. COCHRAN  
**Chairman**  
Lyons Transportation Lines, Inc.,  
Eckerd's, Inc., and  
Erie Technological Products, Inc.  
Erie, Pennsylvania

JOHN J. CORSON  
**Chairman**  
Fry Consultants, Inc.  
Washington, D. C.

FRANK DeFAZIO  
**Senior Vice President**  
Finance and Administration

JOHN H. DeVITT  
**Retired Chairman of the Board**  
Hammermill Paper Company  
Erie, Pennsylvania

HENRY E. FISH  
**President**

V. F. LECHNER  
**Chairman of the Board  
and Chief Executive Officer**

KEITH H. MacDONALD  
**President**  
IAC, Ltd.  
Toronto, Ontario

LEO B. MOORE  
**Professor of Management**  
Massachusetts Institute of Technology  
Boston, Massachusetts

B. J. WALKER  
**Executive Vice President**

## OFFICERS

V. F. LECHNER  
**Chairman of the Board  
and Chief Executive Officer**

HENRY E. FISH  
**President**

B. J. WALKER  
**Executive Vice President**

FRANK DeFAZIO  
**Senior Vice President**  
Finance and Administration

EDWIN R. BINDSEIL  
**Group Vice President**

FRANK PLASHA  
**Vice President**  
Employee and Public Relations

CHARLES E. GALLAGHER  
**Vice President**

JAMES A. NALLY  
**Vice President**

ROGER A. GEIER  
**Secretary and Treasurer**

HAZEL R. LYMAN  
**Assistant Secretary and  
Assistant Treasurer**

RICHARD B. YEAGER  
**Controller**



## DIVISIONS AND SUBSIDIARIES

**AMSCO EQUIPMENT COMPANY**  
Erie, Pennsylvania—Jamestown,  
New York—Richmond, California  
Charles E. Gallagher, Vice President  
and General Manager

**AMSCO MARKETING DIVISION**  
Erie, Pennsylvania  
James A. Nally, Vice President  
and General Manager

**AMSCO INDUSTRIAL COMPANY**  
Erie, Pennsylvania  
Alan E. Law, General Manager

**AMSCO INTERNATIONAL COMPANY**  
Erie, Pennsylvania  
Donald C. Schaper, General Manager

**AMSCO SERVICE COMPANY**  
Erie, Pennsylvania  
H. F. Hafenmaier, General Manager

**AMSCO SYSTEMS COMPANY**  
Erie, Pennsylvania  
William R. Miller, General Manager

**AMSCO SURGICAL  
EQUIPMENT DIVISION**  
Erie, Pennsylvania  
Phillip Zimmerman, General Manager

**AMSCO HALL SURGICAL DIVISION**  
Santa Barbara, California  
Harmon H. Woodworth, President  
and General Manager

**CHAMPION INDUSTRIES, INC.**  
Winston-Salem, North Carolina  
S. Gordon Apgar, President  
and General Manager

**BUS BOY DIVISION**  
North Hollywood, California  
D. Wilson, President

**TURNER ASSOCIATES**  
Palo Alto, California  
John G. Hainsworth, President

**INGRAM & BELL LIMITED**  
Toronto, Ontario  
A. W. Steen, President

**I & B Division**  
Toronto, Ontario  
Gordon Cornelius, General Manager

**Allied Scientific Division**  
Toronto, Ontario  
James Clelland, General Manager

**AMSCO Canada Division**  
Toronto, Ontario  
J. G. Tillson, General Manager

**GUILBERT, INC.**  
Philadelphia, Pennsylvania  
Walter C. Schmidt, General Manager

**AUTOMATIC TUBE COMPANY**  
San Rafael, California  
Wilbur Van Otteren, President  
and General Manager

**LOMBART LENSES, LTD.**  
Norfolk, Virginia  
Adolph Lombart, O.D., President

**REHAB CORP.**  
Mechanicsburg, Pennsylvania  
Rocco Ortenzio, President

## The Broadening World of AMSCO Products

AMSCO products and services perform a wide variety of jobs in providing health care. Some are more visible than others and some are known only by technical terms, but all are important.

What follows is a resume of just some of the many ways AMSCO functions in the broad health care field.

In hospitals, for example, AMSCO is involved in practically every phase — every function.

### Here's how:

**Surgical Suites** — AMSCO, which designs surgical operating suites, supplies many items — large and small — to aid the surgical team in its work and, therefore, benefit the patient. Special operating tables hold the patient secure and keep him comfortable. They are manufactured by AMSCO, along with surgical lighting, pneumatically-powered surgical tools, hand-scrub stations for surgeons, sterilizers for supplies, sonic energy cleaners for instruments, cabinetry for storage, and operating room furniture.

**Patient Rooms** — In almost all "intensive care" (I.C.U.) and "cardiac care" (C.C.U.) units and in an ever-increasing number of regular rooms, a patient's chances of survival and for prompt emergency care are enhanced by prefabricated and, therefore convertible "service walls" that contain outlets for medical gases, blood pressure equipment, and provide for sophisticated patient monitoring devices that keep track of vital life signs. AMSCO, a leader in the design and manufacture of such walls used in the remodeling of obsolete patient rooms, also aids in patient care by providing in the room a Modulav (fold-up lavatory), wardrobes and other cabinets, and overbed reading/examination lighting.

**Nursing Areas** — AMSCO products enable nurses to serve patients easily and quickly, thus adding to patient comfort. Among items available are a special walk-in bathtub, medicine storage units, washer-sanitizer equipment, and dietary preparation stations that feature storage cabinets, sinks, warming ovens, refrigerators, ice cube makers, water dispensers, etc.

**Central Processing and Dietary Areas** — Sterilization and washing equipment manufactured by AMSCO makes centralized processing of linen packs, preparation of supplies such as hospital fluids, syringes, instruments, metalware, sterile gowns and many other items a simple matter. In addition, centralization of processing responsibilities provides improved patient care, increases the factor of safety from cross-contamination and helps to lower the cost of

hospital care through increased labor efficiency.

AMSCO equipment also allows centralized preparation of meals, the processing of waste by either food waste disposers or shredders for general waste, and the washing and sanitizing of dishes and cooking utensils.

**Material Handling & Distribution** — AMSCO also assists hospitals to reduce the cost of patient care by increasing their efficiency through the application of automated and semi-automated transportation systems. The AMSCO automated transportation systems move almost all hospital supplies including prepared meals, bulk and processed stores, sterile goods and surgical instruments to specified areas of the building. The automatic storage and retrieval systems are used in centralized storage areas. In addition, AMSCO specialized pneumatic tube systems are available to provide a method of transportation for blood samples, x-rays, intravenous fluids, medications, mail, medical records, linen and trash quickly and safely.

**Laboratory Areas** — AMSCO divisions manufacture and supply analytical lab instruments and products to detect blood problems, heart conditions, drug usage and many clinical and research applications both in hospitals and medical laboratories.

**Preventive Maintenance and Emergency Service** — Results and satisfaction are only as good as the mechanical reliability and service rendered on a piece of equipment. AMSCO fully backs all of its products with this kind of expertise.

**Health Care Services and Supplies** — AMSCO provides many reusable and disposable items for hospital and patient use, particularly, in Canada through Ingram & Bell. Such items include surgical gloves, syringes, face masks for surgeons, ointments, creams, disposable electrode pads and other products numbering up to 14 or 15 thousand. Also, in the U.S.A., AMSCO's line of Pyrex flasks, disposable caps, detergents and cleaners are important to proper use of our equipment and good techniques. As noted earlier, Lombart and Rehab are significant expansions to "health services" for the American family.

**Industrial Areas** — AMSCO has designed and developed new and more efficient processing techniques and equipment for a host of health-care-related scientific and industrial purposes. These advances support the manufacturing processes of chemicals, pharmaceuticals, medical and surgical supplies, electronic componentry, cosmetics and textiles; research areas such as biomedical, agricultural, aerospace, nutritional; and the sphere of the food processing industry.





**AMSCO**

**American Sterilizer Company**

Erie, Pennsylvania 16509